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deliver[®]

a magazine for marketers

VOLUME 6 | ISSUE 3 | JULY 2010

ELECTRONIC SERVICE REQUESTED

liner notes:

This material was compiled from jam sessions across the country in 2010 that brought together marketers from small, medium and large business, for the first time in *Deliver* history, to groove to the wonder of direct mail. Their talents have wowed consumers for years, and continue to guide consumers as they cross over to a richer, more rewarding life.



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
Cert no. SCS-COC-000648
www.fsc.org
© 1996 Forest Stewardship Council



We've Changed. Will You?

There's something different about *Deliver*.® Not in a socially awkward kind of way. (Well, maybe a little.) I'm talking about actual editorial changes you'll notice from this issue forward.

We're always encouraging our readers to take a hard look at their businesses and assess if their strategies are truly delivering on customers' needs. We decided it was time to take our own advice.

We realized that the marketing insights and tips we offer don't benefit only large businesses. They can be adapted to companies of all sizes (admittedly, sometimes more easily than others).

So you're going to be seeing more marketing solutions from (and for) small and medium businesses throughout our pages. In this issue, for example, marketers from small, medium and large businesses discuss whether social media's return justifies its spending (page 10).

We know smaller budgets can bring greater challenges, so we've created a special section



we're calling "Talking Heads" (page 7). It's a place for small business owners to share their success stories, and demonstrate that campaigns can be innovative and effective without straining your marketing dollars. Have a marketing solution to share? Tell us about it at delivermagazine.com/talkingheads/.

Of course, we still have articles tailored to large businesses. This issue, for example, we look at how Xerox is using print pieces to motivate its sales force (page 30) and we profile Euro RSCG Chicago's Chris Newman (page 14). At just 28 years old, Newman is creating mail pieces that have the direct world buzzing — and we got him to share his zealous approach to creativity.

We've also got plenty of content applicable to businesses of all sizes. Like our direct mail gallery, a collection of some recent standout pieces (page 24). We're always talking about how mail has the power to inspire and engage customers. This showcase actually lets you see what we've been talking about.

This issue also explores how QR codes — those small, square, black-and-white dot patterns you've probably been seeing in magazines and on billboards lately — are transforming direct mail into mobile marketing (page 4).

So, how will you know which articles are the most applicable to your business? There's a handy key in the table of contents to help guide you through the issue. Of course, you can still read the entire magazine and decide for yourself which stories are most relevant to your marketing needs.

No matter what you choose to read, you'll see that print is definitely not a goner. It's evolving as new technologies emerge. But that means your marketing approach must transform with it. Ours has.

Thomas J. Foti, Editor

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PHOTOGRAPH BY ROY RITCHIE

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Alpha Mail

Peanut butter and jelly. A tackle box. Frogs for dissection. What will direct marketing whiz Chris Newman think of mailing next?



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Making the Most of a Relationship

Combining direct, e-mail and mobile is helping California-based zpizza whet consumer appetites for its loyalty club.

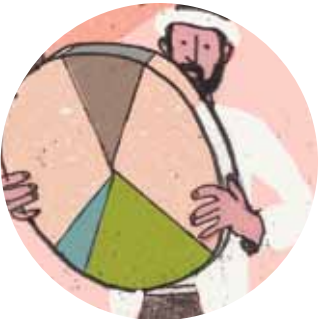


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Show Pieces

We talk a lot about how mail inspires and engages customers. Now, we've created a gallery of standout pieces so you can see for yourself.



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Selling the Sales Team

Sure, companies have to market to buyers. But for Xerox, it's just as important to market to those doing the selling.

USE THIS KEY

We've created this handy little guide to help you quickly find the stories relevant to your business. (Don't strain yourself.)

S SMALL BUSINESS
Less than 100 employees. If the coffee's gone, you'd best be making a new pot.

M MEDIUM BUSINESS
Between 101 and 499 employees. You grab coffee on the drive in or, better yet, have your assistant run out for you.

L LARGE BUSINESS
More than 500 employees. You own the coffee chain and are sick of drinking the stuff.

INSIDE EVERY ISSUE

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COVER PRINTED ON RECYCLED PAPER WITH 10% POSTCONSUMER WASTE. BODY PRINTED ON RECYCLED PAPER WITH 20% POSTCONSUMER WASTE.

ON THE COVER: PHOTOGRAPHY BY JIM WRIGHT

DELIVERABLES

A BRIEF LOOK AT SOME BIG ISSUES
IN DIRECT MAIL

POSTINGS

DRIVE MORE SALES

Mix Your Media

QR codes turn direct mail into mobile marketing

You've probably seen QR (quick response) codes in magazines and on billboards. But did you know they could add interactivity to direct mail?

When a person snaps a picture of these two-dimensional bar codes — using a smartphone equipped with camera and reader software — the codes spring into action, perhaps redirecting the browser to a personalized landing page or showing a phone number or message.

"The rapid penetration of mobile phones in the U.S., increase in the speed of wireless data transfer and availability of free bar code reader applications have all made QR codes a viable option for marketing campaigns," says Ramin Zamani, marketing director at software company MindFireInc (mindfireinc.com) in Irvine, Calif. "The key factor is how fast people will adopt the technology."

One early adopter is online retailer Go Green Items (GoGreenItems.com) in Tampa, Fla. The company mailed postcards, created by Tampa-based print marketing firm Direct Marketing Concierge*, to 1,000 prospects in April with a QR code that revealed a discount code and a link to its Web site. Within a week, Go Green Items received three orders from people who had scanned the bar code. — *Mindy Charski*

ROY RITCHIE



YOU SHOULD KNOW

SOME OF THE MOST POPULAR FUNCTIONS CURRENTLY AVAILABLE ON USPS.COM — **TRACK AND CONFIRM, THE POST OFFICE™ LOCATOR, AND ZIP CODE™ LOOKUP** — ALSO ARE AVAILABLE ON YOUR CELL PHONE AND OTHER WEB-ENABLED MOBILE DEVICES. VISIT YOUR PROVIDER'S APP STORE TO DOWNLOAD THEM.

ATTRACT BUSINESS

More small businesses are using direct mail to attract new clients. Almost half (47 percent) consider mail important to finding new customers or members, up 18 percent from 2009.

Source: Constant Contact, 2010 U.S. Small Business Attitudinal Survey

BY THE NUMBERS

65 percent

Portion of marketers who say their companies have not increased revenue or profited using social media.¹

2 in 3

Number of people who prefer print catalogs to online catalogs.²

500 million

Number of 2010 census forms mailed to U.S. households and tracked using Intelligent Mail.³

1 R2integrated, April 14, 2010. 2 Pitney Bowes. 3 U.S. Census Bureau.

JOIN YOUR PCC

Get Free Advice

Want to increase sales and expand your customer base? The Postal Customer Council® (PCC®) can help. It's a chance to network with your peers, get help solving your mailing issues and learn how to get the most from postal products. Find your local PCC at usps.com/nationalpcc/joinlocalpcc.htm. Read more about PCCs on page 11.



LOYALTY PROGRAMS

DON'T RUIN YOUR RELATIONSHIP

Consumers see value in loyalty programs, but they expect marketers to understand them better and deliver more relevant and valued offers. Deeper engagement and personalized contact drive loyalty, not mass blast communications and gimmicks.



52%

ARE INFLUENCED TO BUY BECAUSE OF LOYALTY PROGRAMS

58%

WANT MORE RELEVANT OFFERS AND INDIVIDUALIZED DEALS

70%

WANT MORE DISCOUNTS AND SAVINGS INCENTIVES

Source: "Leading Loyalty: Feeling the Love from the Loyalty Clubs," 2010 CMO Council

DELIVERABLES POSTINGS

Simply carbon-copying your English-language mailer for multicultural markets won't work. In this new day of tighter budgets, all marketers will work smarter, and the smartest ones are starting to realize that culturally informed marketing generates the most effective desired outcome."

— Alberto Padrón, director of integrated marketing, Zubi Advertising



INTELLIGENT MAIL



No Postage Necessary

Intelligent Mail® helps Hallmark eliminate stamps

Intelligent Mail is making it simpler for Hallmark customers to send personal greetings while helping the Kansas City, Mo.-based company easily track pieces as they enter the mail stream.

Hallmark's new Postage-Paid Postcards – which hit store shelves in May – come with prepaid First-Class Mail® postage, eliminating the need for consumers to place a stamp on them.

When mailed, Intelligent Mail barcode technology linked to the postcards notifies the Postal Service™ that postage was prepaid when the consumer purchased the card.

"These Postage-Paid Postcards create a convenience we've not offered before," says Cindy Mahoney, vice president of product development at Hallmark. "All consumers need to do is fill out the postcard and drop it in the mailbox."

INFOGRAPHIC

WAKE UP, MARKETERS. You say you recognize Hispanic consumers' growing influence. Still, more than half of you don't market to Latinos in Spanish, and 82 percent have no plans to begin or increase efforts aimed at Hispanics. What gives?

WHY COMPANIES AREN'T MARKETING TO HISPANICS



don't feel the ROI would be justified

don't have the budget

lack language/culture familiarity

feel current marketing is effective

don't know where to begin

Sources: Orca 2010 Marketing Trends Survey

TOP: DON BISHOP; PHOTODISC, GETTY IMAGES / BOTTOM: BRANDON LAUFENBERG, ISTOCK VECTORS, GETTY IMAGES



STRETCH YOUR BUDGET

Join the Competition

Small businesses find success in pooling their marketing dollars

Don't have a big marketing budget? Consider partnering with other local businesses to make your dollars go further.

It worked for 32 Cape Cod, Mass., small businesses and the local division of a waste collection provider. Each paid just \$1,000 to participate in a highly targeted lead generation campaign.

"As a small business owner, it's tough to send prospect mailings to large amounts of people because of the expense," says Joe Jamiel, owner of Ardeo, a restaurant with five locations that participated in the program. "This co-op program is an incredibly cost-effective and unique way to market my business."

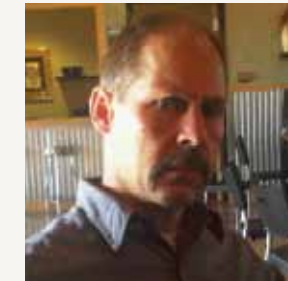
Dynamic marketing communications firm Curley Direct of South Yarmouth, Mass., developed an oversized trifold mailer for the group, which was sent to the primary residences of 27,700 owners of area vacation homes in May 2009.

The personalized piece included the advertisers' logos and invited recipients to visit a personalized URL (PURL) for exclusive offers. More than 2,200 people — or 8 percent of recipients — went to the PURL and clicked on an advertiser's link. Nearly 1,000 people shared their e-mail addresses to receive future offers.

Thanks to the program's success, a similar mailing went out this June.

Talking Heads

Standout solutions from **SMALL BIZ MARKETERS**



Steve Picha

Rivercity Autowerks, HUDSON, WIS.

Picha generated \$8,000 in sales and 40 leads simply by targeting a mailer to 3,500 Audi, Volkswagen and Porsche owners within a 20-mile radius of his foreign auto repair shop. The postcard, which promoted the shop's services as costing less than dealer repairs, yielded a 400-percent ROI — making it Picha's most successful marketing campaign to date.



Joann Glussich

Contours Express, LODI, N.J.

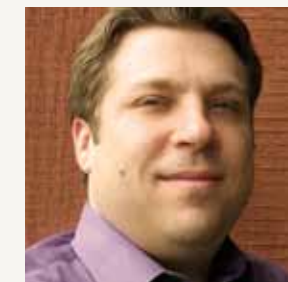
Glussich turned to direct mail when newspaper ads weren't generating participants for her health club's 36-week weight loss program. Postcards sent to nearly 6,000 women within specific age and income ranges in three ZIP Code™ locations yielded 25 study participants. The women spent a total of \$12,500, generating an ROI of more than 500 percent.



Vito Curcuro

Pilz Automation Safety L.P., CANTON, MICH.

Curcuro's series of three variable data postcards not only generated leads from 4 percent of the companies on Pilz's mailing list, they also landed the company one of its top-10 customers. Prospects received one of three offers — a free screwdriver or pen, a special report, or a product sample — when they called their sales representative, whose contact information was added with variable printing.



Aaron Corson

MarketPath, ST. LOUIS, MO.

Corson underscored the message of a small business seminar on the benefits of combining online and direct mail efforts by inviting recipients via e-mail, postcard or both. True to topic, he received the highest response (more than 10 percent) from those who received both the e-mail and direct mail piece. The effort also generated 170 leads.



Are you a small business with a smart marketing solution to share? Tell us about it at delivermagazine.com/talkingheads/. We just might feature it in a future issue.



Who Will Save Print?

Great space has been given online and offline recently to tout the newest digital killer app — a new e-reader which shall remain nameless — as the savior for the magazine industry. No more must we worry about how our ever-expanding arsenal of digital devices will destroy magazines; this one can help save them.

So imagine the consternation it must have caused when the CMO Council released a study that found that consumers actually prefer — gasp! — printed magazines over their digital counterparts. How many? Ninety percent of those surveyed said they'll hang onto their print magazines, even with the option of an e-reader or online counterpart.

If this feels like déjà vu all over again, it's because it is. The obituaries for print have been many and myriad over the past two decades — and obviously wrong. While it is true that consumers have found much to love about the digital tools we now possess, it's also true that they haven't come close to giving up on print.

And why would they? To borrow a phrase from the digital lexicon, print is "user friendly": It's portable, accessible, visually compelling, highly effective and a real value. There's no reason for users — sorry, consumers — to give up on it. For them, it's

not a choice of one or the other, it's a matter of using both print and digital — for different objectives.

So, should we be surprised that nine out of 10 people want to hang onto their magazines? That in the past 11 years, as search engines have begun to rule our online lives, print magazine readership has risen 4.5 percent? That print still delivers a higher level of engagement and returns a significantly higher response rate?

It's not a surprise to marketers. Spending on all forms of print still dwarf the spend on online advertising (direct mail alone is more than \$29 billion vs. \$7.8 billion for Internet display ads).

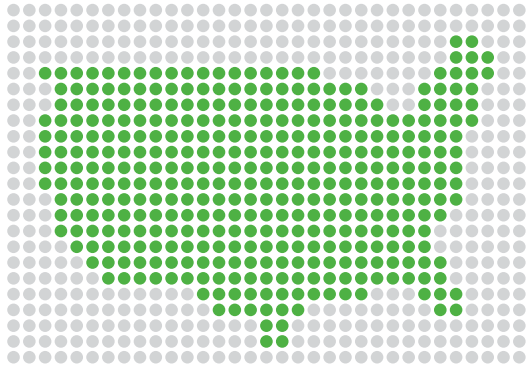
Arguing about whether digital will supplant print next year or the year after that or the years after that misses the point. It's not about independence, it's about integration.

Time after time, marketers have proven that the two media work better together. Print is the "push" that complements the Web's "pull." As catalogers know well, a print piece not only drives additional traffic to the website, it increases the amount that people spend when they arrive.

Print's demise may be overstated, but it would be just as foolish to ignore the growing dominance of digital. Smart marketers are finding ways to blend the two to create an even more powerful connection to their customers. Are you?

DIGITAL VISION, JUPITER

TOP RIGHT: HONOR BOWDEN, IMAGE ZOO, GETTY IMAGES



Where they live:¹

- 34.6% New England and Atlantic states
- 42.8% North and South Central U.S.
- 8.8% Mountain states
- 13.8% Pacific states

60%

look for products and services that come from a socially responsible company.²

ANNUAL HHI:¹

16.8% less than \$25,000

41.6% from \$25,000 to \$74,999

35.3% \$75,000 and over

(Percentages do not total 100 because not all respondents answered this question.)



3 in 4 green moms have pets.¹



1 in 4 is a homemaker.¹



6 in 10 green moms are married.¹



MOMMY GREENEST

Is sending direct mail to green moms — mothers motivated by and committed to green issues — counterintuitive? Not if it's done right, says sustainability, gender and consumer behavior expert Andrea Learned. "Anyone who's serving a sustainable consumer should be watching green moms," she says. "These women are very influential among their peers, and their momentum is building." Reach them by practicing impeccable list hygiene, using environmentally friendly papers and inks, and matching your direct mail and website messaging. — Christine Hansen

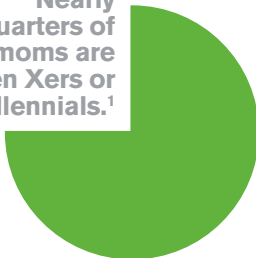
GREEN MOMS WHO OFTEN OR ALWAYS:¹

Try new products 37.4%
Buy store brands 58.0%
Buy name brands 47.2%
Use coupons 50.7%

74%

look for products and services that help preserve natural resources for their kids and grandchildren.²

Nearly three-quarters of green moms are Gen Xers or Millennials.¹



¹ Earthsense 2009 Eco-Insights Survey. ² Resonate Networks.

“Does return on social media justify the spending?”



L

LINDA LORE

President, Frederick's of Hollywood Group Inc.

The real danger with social media is in marketers expecting too much from it.

What you are trying to do with social media is engage the consumer in a conversation that is relevant to him or her. **Social media needs to work hand-in-hand with other channels, whether it's direct mail or an in-store promotion, to create a holistic marketing campaign that drives consumers to the branding you want to get in front of them.**

Because each additional touch-point helps drive consumer loyalty, it is important to have a diversified strategy that includes direct mail, e-mail, online and social media. It is price effective to mix these tools by campaign, enabling you to connect with people in the way they are most comfortable with.



M

DAVID J. BROWN

Executive Vice President, National Trust for Historic Preservation

I think it's important that nonprofits continue to experiment with social media tools and look for ways to test its effectiveness. This will help them properly allocate resources to social media.

For the National Trust, investing in social media helps us reach certain goals, such as building awareness for preservation, because it reaches new and non-traditional audiences.

But many of our social media followers also get direct mail from us because people don't use just one form of communication anymore.

In fact, social media and direct mail are quite complementary. When we think about using social media, we think about having an immediate impact and reaching new audiences. When we think about using direct mail, we are thinking more about donors where we have an existing relationship.



S

KASSIE REMPEL

Owner, SimplySoles

Social media takes up more time than it does money.

At SimplySoles, we haven't allocated a specific budget for social media. I have, however, adjusted my schedule so I can devote time to the social media channels that have come into play in the past few years.

Connecting with customers is core to SimplySoles' business. **We view social media, therefore, as a natural evolution of the customer outreach we've been doing all along.**

This includes sending handwritten thank-you notes, which are great attention grabbers. Personal touches such as this are one of our differentiating factors in the marketplace.

The common ground between handwritten notes and social media is accessibility. Both can help marketers relate to customers on a personal level and humanize a company.

PORTRAITS BY GLEKIT

© CULTURA, MASTERFILE



Stephen Kearney is senior vice president of customer relations, which includes pricing, consumer affairs, corporate communications, and customer and industry marketing, at the U.S. Postal Service.*

I was reminded of the value that kind of dialogue could deliver recently at the National Postal Forum (NPF). It was an opportunity for us to talk face-to-face with some of the nation's largest marketers, to kick around ideas and get their feedback on how we might better help them deliver on their objectives.

More than that, it provided a chance for those businesses to have similar conversations with their peers, exchange ideas, share strategies and glean insights from others who are faced with the same challenges.

The NPF won't come around again until next spring, but I'd encourage you to attend your local Postal Customer Council® (PCC®) meeting. These councils, made up of the same enthusiastic professionals, offer opportunities to network with your peers, discuss issues with Postal Service representatives and, ultimately, collect knowledge that can make you a better marketer.

In fact, National PCC Day on Sept. 15 is the perfect reason to check out what your local PCC has to offer. You'll hear what's happening both nationally and in your area, meet local Postal Service representatives, and network with other marketers in your city. (Get more information about what's being offered in your area at usps.com/nationalpcc/joinlocalpcc.htm.)

Consider opening a dialogue with the Postal Service. We want to help you grow your business. We can help you deliver innovative solutions that get your marketing noticed, and, more important, meet your business objectives.

Don't Go It Alone

Collaboration can help make your marketing campaigns stronger.

Today's marketers face a significant set of challenges in reaching consumers. They must be innovative, stretch boundaries and really reach to create breakthrough messaging or a strategy that will capture attention and engage consumers. Let me give you an example of how the Postal Service™ recently helped a marketer do just this.

A large national retailer created a mailing program that included fixing a coupon card to the outside of a catalog to help promote its offer. When customers used the card, the retailer could track the business it was generating.

Would it drive sales? Absolutely. But the card's positioning did not meet Postal Service standards. So, we met with the retailer and its marketing partners to devise a mailer and a card that would meet the retailer's needs, while meeting the standards we needed in order to process it. In the end, the retailer got a much-needed business boost, and we provided a solution that helped.

That's the kind of partnership we think would help all marketers. We want you to seek innovative ways to use Postal Service products and services. But make us part of the planning process so we can offer insights that may save you hours and dollars in the end.



SEEDING IDEAS: A brochure in the shape of a tractor carried a flash drive of editorial images.

Sowing Curiosity, Reaping Results

John Deere's folding 3-D tractor drove plenty of inquiries — and pulled in a major award.

By Anne Stuart

You wouldn't typically expect to see "origami" and "tractor" in the same sentence, but that unusual combination sums up the thinking behind a dimensional mailer John Deere used to distribute a comprehensive collection of digital images last year.

The Moline, Ill.-based maker of farm equipment wanted a fresh approach for delivering the stock photo library it periodically sends to media, marketers and advertising agencies in the agriculture industry. "Our video manager had a mock-up of a folding paper automobile that he'd picked up from one of our suppliers," recalls Barry Nelson, media relations manager for John Deere's Agricultural and Turf Division. "You could open it up and look inside. He said, 'Wouldn't it be great to take a John Deere tractor and do the same thing with it?' We loved the idea."

Working from photos and illustrations, an in-house team created an elaborate design for a scaled-down replica of a recent addition to Deere's 8030 line of high-power tractors. "We wanted it to be as accurate as possible because our target audience knows our tractors very well," Nelson says. "They can look under the hood and know every nut and bolt and every part of the engine and transmission."

The team sent its design to Structural Graphics LLC,

an Essex, Conn., agency that specializes in creating dimensional marketing pieces and displays. The project presented some "paper engineering" challenges, recalls Structural Graphics president Ethan Goller. "Among other things, we had to consider the grain of the paper so that it worked with the design rather than against it," he says.

Then there was the question of making four round 3-D wheels from a flat printed sheet. "That involved lots of bends and curves and making paper do all kinds of things it isn't designed to do," Goller says.

Ultimately, Structural Graphics produced a pint-sized tractor that not only rolled on those 3-D paper tires, but also unfolded to let recipients peek at its highly detailed interior. "You open the roof of the cab, and you see the seat," says Deere's Nelson. "You open the hood and you see the engine. If you keep opening it up, you'll see a flash drive."

Deere packaged each fully assembled tractor with an eight-page directory of images in the flash drive's photo library. Then the company sent the boxes to its key media contacts.


While the company didn't formally track results, requests for information were higher than normal after the mailing, Nelson says. But, he adds, the real win came in terms of buzz — especially on farm-related blogs and websites — and awards.

But for the John Deere marketing team, the reward was seeing its project go viral. Says Nelson, "We're experimenting with social media here, and this one really took off."

Structural Graphics produced a pint-sized tractor that not only rolled on 3-D paper tires, but also unfolded to let recipients peek at its highly detailed interior.

THE ESSENTIALS

Company: John Deere (Lenexa, Kan.). **Agency:** Structural Graphics LLC (Essex, Conn.). **Target Audience:** 1,200 key members of agricultural media (journalists, bloggers, marketing and advertising agencies). **Goal:** Encourage recipients to view and use stock photos of John Deere equipment on enclosed USB flash drive. **DM Vehicle:** 3-D paper tractor replica (9 by 5.5 by 4.5 inches) that opens up to reveal flash drive with 180-image photo library. **Response:** Uptick in web traffic and e-mail inquiries, buzz on influential blogs, industry marketing association recognition.

A man with a beard and glasses, wearing a dark suit jacket over a checkered shirt, stands in front of a modern building with a curved facade. The building has large windows and greenery is visible in the background.

ALPHA MAIL

*Only 28, **CHRIS NEWMAN** has become a leader in direct thanks to a zealous approach to marketing creativity.*

BY BRUCE BRITT | PHOTOGRAPHS BY MATT BARNES

He caught the advertising bug while pursuing a double degree in fine arts graphic design and advertising at Iowa State University, then saw his passion fully bloom during internships at Baltimore's Round2 design agency and the Martin Agency Student Workshop. Chris Newman is just 28 years old, and his career is red hot. Currently a senior art director at Euro RSCG Chicago, the young advertising maverick has earned multiple awards for his work on behalf of several brands. But it's Newman's fiendishly clever array of mail campaigns for Sprint Nextel that have the direct world buzzing.

While many of his Gen-Y peers focus almost exclusively on the Internet, Newman has made marketing headlines by applying Web-inspired dynamics to that tried and true response-getter — direct mail. “I always try to create direct mail pieces that will get people to want to interact with them,” says Newman. “Maybe it's because I'm so used to having the Internet. It's about taking that online interactive experience and bringing it into a direct mail/print form.”

True to his philosophy, Newman's direct mailers veritably scream, “Play with me.” Take his award-winning 2009 mailer, “Tackle Everything Faster.” A B-to-B Sprint project that gives fresh

meaning to the phrase “reeling ’em in,” the campaign was engineered to entice primary decision makers at vertical businesses. Devising a tackle box that he dubbed a “solutions tool box,” Newman placed his enticing teaser message clearly on the outside of the box, cautioning recipients, “Don’t let this one get away.”

Inside the box, recipients are presented with fishing supplies, including lures, fishing wire, bobbers, sun block and more. Also included is a brochure promoting Sprint’s work-grade communications and a business card for a Sprint sales representative. Sprint produced more than 500 boxes for the campaign, with more than 5 percent of recipients rising to the bait.

Then there’s Newman’s 2008 back-to-school Sprint mailer, “Dissection.” It allowed more than 600,000 college student recipients to virtually dissect a frog by tearing open a center vertical perforation revealing a card detailing Sprint’s latest phone components.

Both pieces underscore for Newman the unique sensuality of direct mail. “What makes direct mail so appealing is finding that you can interact with the piece,” he says. “Since direct mail is tactile, the goal for me is to have people open it up and examine it. There’s something powerful about being able to hold something in your hand and explore it on your own, whether it’s peeling something back, or scratch ’n sniff, unique stickers or different print techniques. It’s definitely a ‘real’ experience, as opposed to a virtual experience.”

Which isn’t to say he doesn’t know how to leverage virtual experiences with mail. Consider the B-to-B mailer he designed for Sprint Mobile Broadband: It placed recipients into virtual, lifelike working environments including a coffee shop and a diner — a creative device Newman used to show that consumers could transform any setting into an office using the service. More than 10 percent of recipients responded, while Newman nabbed two Tempo Awards for the project.

He has also won several other honors, including a 2010 Emerging Leader Award from the Chicago Direct Marketing Association and several AMBIT Awards from the Kansas City Direct Marketing Association. The *Chicago Sun-Times* hailed Newman as “a man on a mission ... to dispel the misconception that direct mail pieces are dull.”

S

SKY’S THE LIMIT

Hailing from Sioux City, Iowa, Newman expressed his creativity from a young age, exploring drama, photography, art, music, choreography and even politics (he was student body president in high school). Those early experiences serve him well in his current job. “Through acting and other artistic experiences, I learned how to put myself in the mindset of others,” Newman says. “When you’re acting, you really have to think, Who is this person and what would be relevant to them? One part about marketing and advertising is that you’re marketing to a different audience every day, whether you’re targeting mobile moms, college students or a boomer audience. [Art] is a great way to step outside of yourself and be someone else.”

And direct mail affords him the chances to unleash some powerful artistic impulses. “I love it when I get these [direct mail] assignments,” Newman says. “The challenge is always great ... but the sky’s the limit when it comes to conveying something.”



“WHAT MAKES DM SO APPEALING *is finding that you can interact with the piece. Since direct mail is tactile, the goal for me is to have people open it up and examine it. There’s something powerful about being able to hold something in your hand and explore it on your own ... It’s definitely a ‘real’ experience, as opposed to a virtual experience.”* — CHRIS NEWMAN



MAN ON A MISSION: Newman is dispelling the misconception that mail is dull with a clever array of campaigns for Sprint. You can’t help but engage with his dimensional pieces, which have included a tackle box (above). He even found a way to make a flat mailer interactive, letting college students virtually dissect a frog by tearing open a perforation to reveal new phone components (left).



*“Our client told us that the Sprint national account managers **LOVED THE CONCEPT SO MUCH** that when they were scheduled to go to appointments, they were actually bringing loaves of bread to go with the peanut butter and jelly.” — CHRIS NEWMAN*

That sort of thinking has led him to view the world as his own personal petri dish, where he can collect, cultivate and grow ideas. “I draw inspiration from everything,” he says. “If it’s Saturday and I’m out in the city and I see something, I think, Oh, that’s really cool — I should keep that in the back of my mind. I’ll tear things out of magazines. If I see cool products or tchotchkes at trade shows or auto shows, I’m always trying to think how I can integrate something like that into what I’m doing.”

But as whimsical as his pieces may seem, Newman quickly points out, “Strategy is at the center of all my ideas: Who are you talking to? What are you trying to say? How can you best communicate your message in a way that’s relevant to people? How can you make the consumer understand it in a way that’s engaging for them? You look for an idea that has ‘legs.’”

Another aspect of Newman’s approach is a creative philosophy he calls Responsible Design. “It’s just being really responsible with where you place things — really thinking about where the headline is, where the images are, where the product and the price points are,” he says. “It means that everything has a place, a purpose and a reason for being there.”

Jennifer Wood, Newman’s supervisor and Euro RSCG creative director, concurs. “Chris approaches design from a deeper level, using strategy as the center point for development. Everything has a reason, and his thinking lives in perfect harmony with his art.”

A

A SWEET OFFER

And that approach has led Newman to churn out some of the best recent work in the business.

For instance, as part of a marketing push for Sprint’s Wireline Convergence Wireless Integration system, which integrates consumers’ personal smartphones with their Private Branch Exchange business lines, Newman took full advantage of mail’s tactile power by devising a B-to-B direct mailer that included a jar of peanut butter and jar of jelly. “We came up with the concept of two things that are completely separate but really work together as a whole,” Newman says. “Knowing that we needed a high-impact DM, we asked, ‘What’s the ultimate combination of two things?’ That’s how we came up with peanut butter and jelly.”

The campaign — which also included an offer for a gift card for pricey steaks — exceeded the goal by more than 300 percent. “Our client told us that the Sprint national account managers loved the concept so much that when they were scheduled to go to appointments, they were actually bringing loaves of bread to go with the peanut butter and jelly,” Newman laughs.

Not long after that, Newman put together a hit B-to-C mail campaign for Sprint’s Handset Upgrade Optimizer, a portfolio of new, feature-intensive devices. Newman’s job: Entice existing Sprint customers to renew their contracts by informing them about the company’s new, feature-heavy phones.



He created a gorgeous foldout mailer that spotlighted the array of new Sprint phones and carried the theme “One. Two. Three. More.” Measuring 6 inches by 9 inches when shut, and 12 inches by 18 inches when fully opened, each page of the mailer featured smartphone screen shots highlighting a certain PDA feature. The introductory page is devoted to texting (“One.”), another to the web (“Two.”), another dedicated to e-mail (“Three.”). A final page details the full capabilities of the entire Sprint handset series (“More.”). “That was the idea when I was designing it — to have it continuously open, and get bigger and bigger, so that the last reveal of the three phones feels exciting,” says Newman.

More than 150,000 pieces were mailed July 14, 2009, with an initial intended run of three months. But when the response rate topped 10 percent, the Kansas-based company extended the mailer’s run for two additional business quarters before refreshing the format in 2010.

Newman says the campaign, which included versions for Baby Boomers and Millennial generation users, allowed him to explore how technological breakthroughs are further

CREATIVE TOUCH: Newman took full advantage of mail’s tactile draw for a B-to-B campaign that included a jar of peanut butter and a jar of jelly (opposite). It blew away the goal response rate by more than 300 percent.

boosting the versatility of mail. “The handset upgrade piece was a great way for me to learn how I can take advantage of all today’s new technologies and printing techniques — and how we can customize and tailor a piece toward specific customers,” he says.

Of course, Newman acknowledges that he learns something new with every project. Perhaps the biggest lesson of all? Newman’s award-winning work has cemented his faith in the bull’s-eye impact of direct mail. “One thing I really like about direct is that you can reach a specific audience with a specific message,” he says. “You’re focusing your message directly toward a person who has a higher propensity to want to respond to your offer. It’s great that you can really target an audience like that.” [a](#)



MAKING THE MOST OF A RELATIONSHIP

A pizzeria's loyalty campaign paired mail and mobile to underscore the importance of finding new ways to do more business with your best customers.

BY PAULA **ANDRUSS** | ILLUSTRATIONS BY ZOHAR **LAZAR**

As pizza chains go, zpizza International may not be the largest — but it's working furiously to ensure that its links to its customers are among the strongest in the business.

Hoping to seize on the benefits of repeat business, the California-based pizza maker recently created an integrated campaign combining direct mail, e-mail and mobile to entice consumers to join its ztribe loyalty club. Officials at the chain — which is known for gourmet pizza with unique toppings such as shiitake mushrooms, arugula and pears — say they are building the club today with the long-term goal of doing more business with recruits in the future.

"Our goal is to have 1,000 heavy users — people who order at least twice a month and spend more than \$50 — at each of our locations," says Brandi Babb, the zpizza director of training. "If we can identify those people and capture them in our loyalty database, we know that we're working toward accomplishing that goal of reaching out to customers who are already part of the repeat clientele."

The campaign centered around two rounds of mailers that were sent last August and October to consumers living near zpizza's 86 stores nationwide. (A limited number were available in-store, too.) In the August mailing, 2,800 cards per store were sent out; that number increased to 3,000 cards per store in October. The mailers contained a pizza-shaped scratch-off area that revealed a code that recipients could then text in to the company, along with their e-mail address, to claim their prize.

The majority of the prizes consisted of a free item or coupon offering, but there were also gift certificates in different denominations as well as two grand prizes: free pizza for a year in the first round of mailings, and \$5,000 in the second round of the campaign. "The card was the call to action that encouraged people to text in, and once they did that they immediately got a text response back from the company telling them to check their e-mail to see what they had won," says Susan

STORY AT A GLANCE

| | |
|---|---|
| Media use Mail, e-mail, mobile | Response rate Over 1,900 text-in entries |
| Goal Build members in loyalty club | Coupon redemption rate 1.5 percent |
| Number of pieces mailed Approx. 500,000 | Registration rate Increased nearly 20 percent |

Goodwin, account executive with BrandStand Group, the agency that executed the program. “That e-mail also prompted them to join the club because it contained a link to the loyalty program.”

Repeat rewards

It’s widely understood that cultivating repeat business can help boost the bottom line in several ways. Most recently, a study from U.K.-based business intelligence consultant Retail Active found that it can cost as much to gain one new customer as it does to keep five existing ones, and that repeat customers typically spend about one-third more than new ones.

And although some small businesses don’t always believe they can afford loyalty programs, more vigorous pursuit of existing customers can increase sales, reduce costs and facilitate deeper communications, says Christie Nordhielm, associate professor of marketing at the University of Michigan Ross School of Business in Ann Arbor, Mich. “Repeat customers are the heart of any business,” she says. “Retained customers are always far more profitable than newly acquired customers. They have a better understanding of the brand’s benefit and value, and they are easier to find and communicate with.”

Nordhielm says another key benefit of loyalty programs is that they strengthen the customer relationship, making customers more “heart loyal” — less likely to defect to the competition.

That’s a definite consideration for zpizza as the company tries to set itself apart from competitors that include the nation’s largest chain pizzerias. “They’re trying to overcome [comparisons to large rivals] not just because they want to be considered better, but also because those huge companies have huge marketing budgets and their deals are out of control, like \$5 pizzas and buy-one-get-one-free offers,” Goodwin says.

To combat that might, Goodwin says the company wants to showcase its products and its distinctive identity, and then hone in on zpizza’s best customers to increase revenue. “You’re better off utilizing your communications to those customers first because they’re already loyal and pose a smaller risk of leaving for the competition,” she says.

Capturing loyalty

The program implemented by zpizza included some key elements to loyalty success. Notably, the restaurant offered the prize without requiring recipients to make a purchase. Also, the pizzeria told recipients what they had won before asking them to join the club.

Nordhielm says companies should seek to delight customers by surprising them with rewards that are not contingent on them taking certain actions. “The wrong way for loyalty programs to work is for the company to emphasize the fact that the reward is contingent on purchase behavior. This makes the reward program seem like just another pricing trick,” she says. “The point is to truly reward loyal behavior and to transform the relationship.”



“Retained customers are always far more profitable than newly acquired customers. They have a better understanding of the brand’s benefit and value, and they are easier to find and communicate with.”

— Christie Nordhielm, associate professor of marketing at the University of Michigan Ross School of Business

Maximizing mail

With the successful elements of the loyalty campaign in place, both Goodwin and Babb say that direct mail was a natural choice to get the message out to consumers.

Goodwin says mail allowed them to target a very specific geographic area surrounding each of the company’s locations, which led to a higher return on investment. The mailers’ range of targeting was no more than three miles outside any given store, depending on factors such as location density and proximity to other locations. In most cases they went out to consumers within a 1.5- or 1.75-mile radius of the store.

“Direct mail is an efficient method for marketing your brand and message exactly where you want it to go,” she says. “You can waste a lot of money going to the masses cheaply and then not knowing if you’re getting your message to the people you really want to see it.”

Babb says that, thanks in part to the still-soft economy, the number of mail marketing offers in her industry has increased aggressively. As a result, zpizza wanted to appeal to consumers with something completely new. “The scratch-incentive card was an opportunity to open the door for something unique that would get people to actually stop and look at it to see if they could possibly win a prize,” she says.

Thus, the company executed the blanket mailing with the goal of reaching out to people who were close to its stores. Along the way to touching many repeat customers, the marketing messages also reached some who weren’t necessarily familiar with the restaurant. “It gave us an opportunity to try a different venue and a new way of reaching potential guests we may not have reached in the past,” Babb says.

Profitable returns

Not only did the mailers reach new guests as well as those who’d eaten at zpizza before, the mailings stirred the recipients to action.

The August mailer garnered more than 500 text-in entries and a redemption rate of 1.5 percent. In October, the company received more than 1,400 text entries and a similar redemption rate. (Goodwin says that because not all stores submitted their redeemed coupons to the agency, the actual redemption numbers are likely even higher than that.) In addition, ztribe registration increased by nearly 20 percent compared to the regular sign-up rate.

While the company doesn’t plan to repeat this particular promotion, Babb says that because of its initial success, she expects another loyalty promotion in the near future. “People were asking questions about the scratch-off and sending us lots of comments about it, which means they were talking about it,” Babb says. “The driving force was to add more members into our loyalty program, and that goal was certainly achieved.”



Need ways to enhance your loyalty program? Download our “Loyalty Strategies” white paper at delivermagazine.com/strategy/.

Loyalty by the Numbers

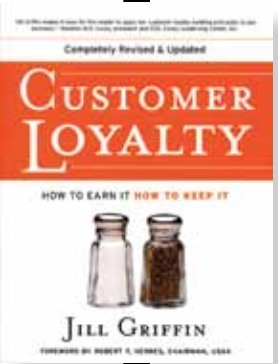
Loyalty experts Jill Griffin and Bain & Company’s Frederick Reichheld, author of *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value*, say:

- Acquiring a new customer can cost up to five to 10 times more than retaining an existing customer.
- A 5-percent increase in customer retention results in a profit increase of 25 to 100 percent.

- On average, existing customers spend 67 percent more than new customers.
- 20 percent of customers account for 80 percent of total sales revenues.

Shifting Loyalties

Business author Jill Griffin explains how loyalty programs are changing — and how your company can keep up.



Loyalty just isn’t what it used to be, says marketing guru Jill Griffin — but that’s OK.

“A lot of companies still confuse loyalty programs with reward programs,” says Griffin, author of the best-selling *Customer Loyalty: How to Earn It, How to Keep It*. “I’ve been working in this area since the late ’80s. There have been a lot of changes in what the word ‘loyalty’ means during that time.”

Deliver® talked with Griffin to get her take on the evolution of loyalty programs and what today’s marketers should do to win more business from the customers they already serve.

DELIVER: How do customers help you learn?

JILL GRIFFIN: Customer needs are changing, constantly evolving, be it business-to-business or business-to-consumer. Customers can help you stay on top of the “value curve” and help you find ways to deliver exceptional value.

Now, that doesn’t mean they’re going to call you up and say, “Hey, here’s my thought for the day.” You have to dig for that information. You cannot depend on them to spell it out in a focus group. Find the behaviors of your best customers,

understand why customers are walking away from you when they do, and put together the pieces of the value puzzle.

DELIVER: What are the biggest trends in loyalty marketing right now?

GRIFFIN: The big trend right now is less about redeeming for merchandise and more about access and enhancing experiences. Like the credit card company giving customers the ability to get great tickets for a major rock concert before they go on sale to the general public — that’s giving you access to an experience. Some of the bigger retailers are recognizing that customization of experiences is a big deal. And the payoff is that they found that customer spending increases significantly over the months following an event. So they’ve found ways to build additional rapport with those customers in regard to just feeling good about the credit card brand.

DELIVER: What are marketers doing wrong in customer loyalty today?

GRIFFIN: I think they’ve amassed customer data, but they are short on how to truly wade through it and make it strategic.

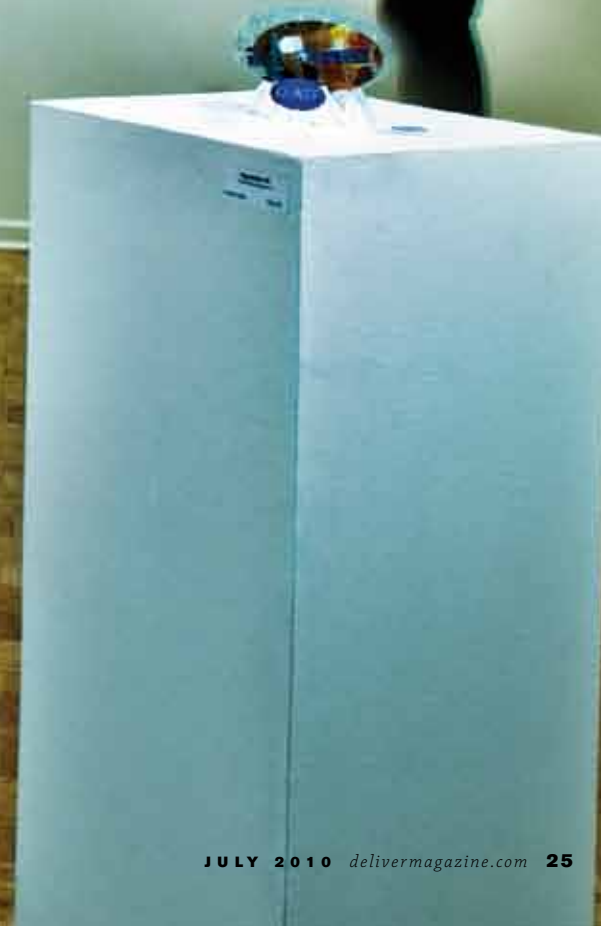
DELIVER: How do marketers identify which customers to most closely monitor?

GRIFFIN: Look at spending. But don’t stop there. Also look at future lifetime value and share of wallet. Marry geographic and income data with that to see if that person has a larger wallet and a larger potential to spend long term. What does the potential of that customer look like? You want to invest in that potential. It’s not just who’s spending the most money with you right now. — Pamela Oldham

SHOW PIECES

A short, colorful exhibition
of the creative power of direct mail

Photographs by Joe Vaughn



Sure, at *Deliver*® we're always talking about the power of direct mail, about how it can inspire and engage consumers. And that talk is true: Mail endures as a favored channel largely due to its adaptability, unmatched tactile power and measurability.

But when it comes to the creative breadth of mail, we don't have to talk. Now, you can see for yourself.

That's because we've devoted the next couple of pages to our own little gallery of sorts. A showcase of colorful and attention-grabbing pieces that we think all underscore mail's sensory appeal.

They vary in size and shape and have been sent by companies large and small. But each piece is bright and engaging in its own way. Most important, each piece has served to advance critical business goals such as fostering brand awareness and driving customer loyalty.

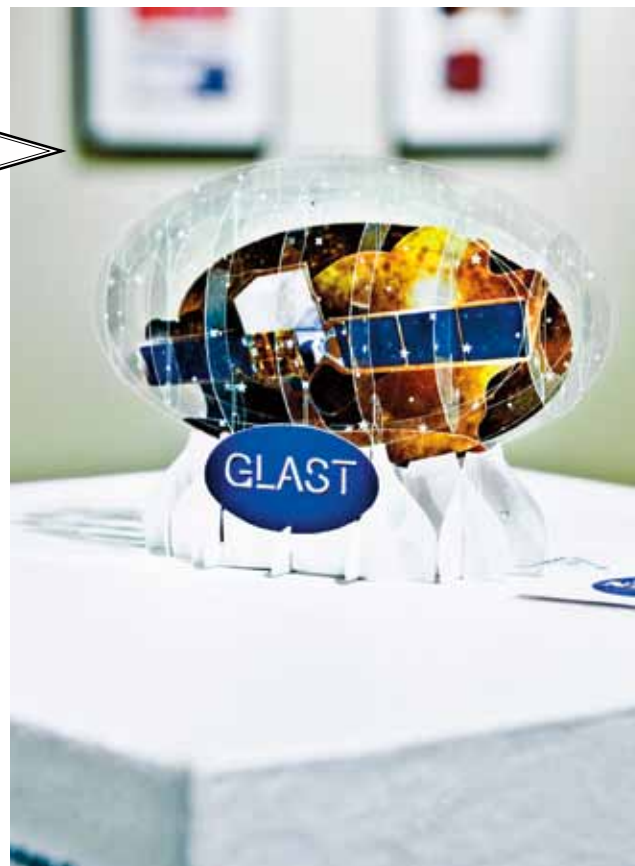
And each did so by seizing on the unmatched ability of mail to put an offer directly into a target's hands. You can touch it, fold it, hold it up to the light.

You can see for yourself.

SONOMA STATE UNIVERSITY NASA EDUCATION & PUBLIC OUTREACH

GOAL: Promote the school's NASA Education & Public Outreach program, which trains teachers and develops classroom learning materials.

SOLUTION: Working with 3D Paper Graphics, the school decided to distribute oval keep-sakes to commemorate the launch of GLAST (gamma-ray large area space telescope).



SCHLITTERBAHN WATERPARKS

GOAL: Generate buzz for Schlitterbahn's new Congo River Exhibition, a multisensory jungle adventure that captures the beauty and danger of the Congo.

SOLUTION: Schlitterbahn decided on a mailer that colorfully conveys the mystery and thrills of a rainforest expedition. The piece also was handed out to park visitors on arrival.



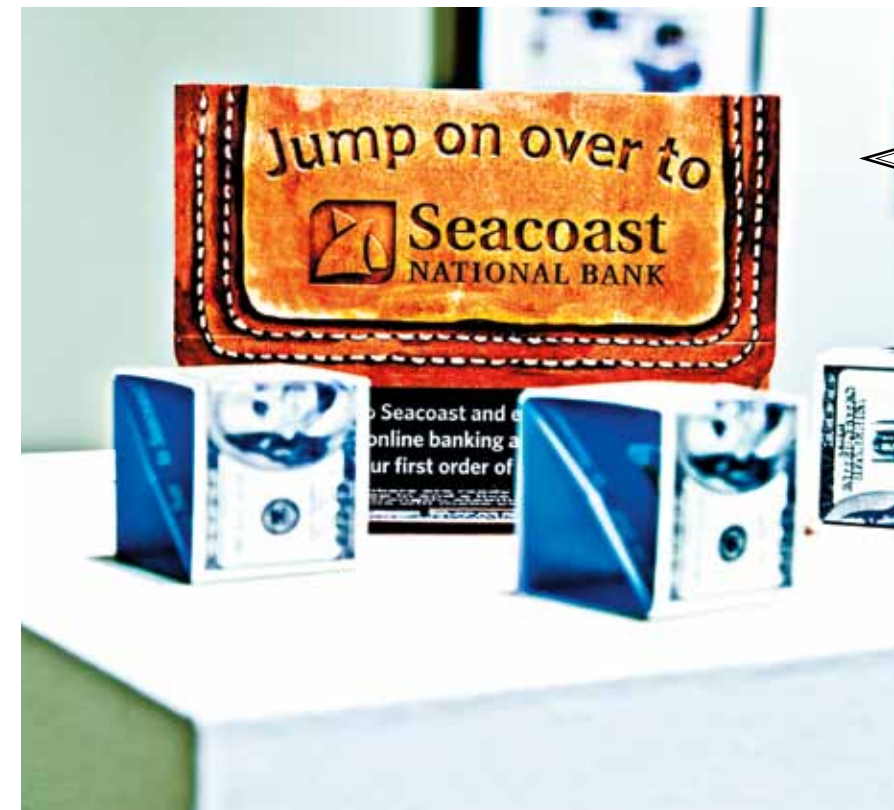
SONOPRESS

GOAL: Heighten brand awareness and generate leads for follow-up.

SOLUTION: Print marketing specialists Cole Creative devised personalized, 12" x 18" movie posters that were sent to film executives. Recipients were cast as the "star" on the posters and text called out their title and company name. The piece helped generate millions in new revenue.



TOP LEFT AND RIGHT, BOTTOM RIGHT: PRODUCED BY 3D PAPER GRAPHICS / TOP LEFT: U.S. PATENT 7,490,425 / BOTTOM LEFT, PRODUCED BY COLE CREATIVE



SEACOAST NATIONAL BANK/DHI ADVERTISING & DESIGN

GOAL: Reach prospects as part of a customer retention campaign.

SOLUTION: Seacoast commissioned a wallet-like piece that, when opened, featured rubber-band activated pop-up cubes that contained serial numbers. Recipients whose numbers matched serial numbers on bills displayed at the bank branches won prizes.

Material Differences

How a rising tide of multisensory print materials is further increasing creative options for marketers.

In its earliest days, multisensory marketing focused largely on placing scents on paper, providing a potent marketing tool for many cosmetics and fragrance companies. But the field has since evolved dramatically. Today, marketers wield an array of new materials and high-tech accessories designed to engage mail recipients' eyes, ears and noses. These include:

IMPROVED PAPER STOCK: Marketers can choose from an assortment of paper types, from heavily recycled stock to paper made from stone powder to the latest hot item, holographic paper. "Holograms diffract light by changing normal white light to various colors," points out Mike Messmer, general manager of NovaVision Inc., which distributes holographic paper. "Holograms can also show unique optical illusions like 3-D depth."

ELECTRONICS: Marketers are starting to embed video and audio chips in their mailers and other printed pieces. Tim Clegg, the CEO of Americhip, which has used the electronic devices in various campaigns, says the chips are designed to immerse recipients in a fuller brand experience. "When you combine audio with tactile or audio with illuminating technology, it enhances the whole experience," says Clegg, whose company also plans to incorporate 3-D into its video mailers this summer.

SCENTED AND EDIBLE PIECES: True to its name, multisensory marketing means engaging as many of the five senses as possible. As a result, marketers are boosting campaigns with items such as scented postcards and printing technology that allows brands to place a scented varnish onto a printing press and then onto a page.

Meanwhile, First Flavor, a suburban Philadelphia marketing company, works to combine three senses — sight, smell and taste. First Flavor creates edible film strips that dissolve instantly and give you a taste and scent of the client's product. "By adding a sense of taste and smell for a product, you create a way to have that consumer engaged," says president and CEO Jay Minkoff. "There is an emotional bonding that creates loyalty."

Explaining how these additions could multiply the impact of direct mail in an increasingly computerized world, Clegg sums up their impact this way: "Although we live in a digital world, humans are still analog beings. We still respond to sound, sight, taste and smell." — *Lekan Oguntinyinbo*



SONOMA STATE UNIVERSITY NASA EDUCATION & PUBLIC OUTREACH

GOAL: Promote the NASA Education & Public Outreach program by increasing brand awareness and providing information about space initiatives.

SOLUTION: The school sent out a telescoping mailer designed to simulate the actions of the NuStar satellite, which NASA has slated for launch in 2012. The mailer opened in much the same way the satellite will open an extendable telescope once it is in outer space.



PANTONE

GOAL: Showcase Pantone's color management software to a variety of prospective clients, including graphic designers and photographers.

SOLUTION: Pantone mailed personalized postcards that showed off its software, featuring models with brightly colored tattoos. Copy asked recipients if they felt as confident about the quality of color in their own work.



MAHI MAHI CRUISES AND CHARTERS

GOAL: Drive web traffic, raise brand interest and increase the number of cruise requests by businesses and organizations.

SOLUTION: Mahi Mahi mailed a mock "ransom note" urging businesses to book staff outings. The note jokingly warned that their companies' "fun" was being held ransom. The piece was aimed at CEOs and HR managers.



MONTAGE GRAPHICS

GOAL: Boost brand opinion and create top-of-mind awareness among potential clients.

SOLUTION: Montage sent a series of personalized holiday-themed postcards to remind targets of the company's creative capabilities. The mailers doubled as keepsakes.

ABOVE LEFT: PRODUCED BY 3D PAPER GRAPHICS, U.S. PATENT 7,707,757/ TOP LEFT AND RIGHT: PRODUCED BY COLE CREATIVE

SELLING THE SALES TEAM

How Xerox motivates and empowers its channel partners to sell more.

BY PAMELA OLDHAM | ILLUSTRATIONS BY JOSH COCHRAN

It goes without saying that companies have to market to those who do the buying — but, says Xerox Corp. channel marketing manager Paul Criswell, it's just as important that brands market to those who do the selling, too.

"Resellers are looking to get as much out of their relationships as possible," says Criswell, who manages all communications between his company and about 3,500 top-tier reseller partners. "They're looking for new opportunities to make money."

Traditionally, Xerox has done more than many major companies to empower its sales force, but the last few years have seen the company step up that commitment considerably, Criswell explains. Blending high-level creative with an assortment of communications channels, the print giant has crafted an annual marketing effort for its sales teams that rivals many B-to-C efforts.

For starters, Xerox kicks off its yearly push to resellers by publishing and mailing eye-catching guidebooks replete with information about the coming year's partner program. This year, the program uses a sports theme, with "Team Up with Xerox" as the tagline. Appropriately, sales reps have received a book entitled "Player's Playbook," while owner-operators have been sent the "Coach's Playbook." Spiral bound and printed in full color, the 85-page guides describe the year's sales incentives, demo programs and other aspects of the overall initiative.

"They talk about [all the reasons] why you should partner with Xerox," Criswell says. "We've received great feedback on both of these books, and I think that's because they're very targeted."

But the guidebooks mark only the beginning of the effort to sell the sales team. Creative promotional campaigns build awareness and excitement all year long. In the summer of 2009, for example, Xerox mailed a barbecue-themed sales promotion, tagged "Fire It Up," to all its partners. The package was shaped like a grill and contained a number of "tools," such as a baster. The company also used a combination of direct mail, e-mail and web marketing for a sales contest geared toward reseller sales reps.



THE ESSENTIALS

Company
Xerox Corporation

Initiative
Reseller Program Marketing

Target Audience
The company's 3,500+ U.S. channel partners

Goals
Recruit and retain partners, drive sales revenue, build loyalty and preference for Xerox, favorably position Xerox for future growth

Strategy
Education and ongoing communications

Media
Direct mail, e-mail, web

“At the end of the day, [we need to communicate] to resellers what we bring to the table and that our value proposition will translate into more customer sales.” — Paul Criswell, Xerox Corp. channel marketing manager



In previous years, Criswell recalls, most of the communication had been aimed at the management of reseller organizations — the owners and operators. Last year’s mailing, though, marked renewed efforts by Xerox to address salespeople, too. The program has worked well, says Criswell. “We directed communications to the people who were getting paid the [sales bonuses], those motivated by extra cash,” he explains.

“We’ve seen some really positive results from communicating what they like to hear,” said Criswell. “The owners and operators definitely have different needs than their

sales reps. [Resellers] care about the value that Xerox brings to their business and to their company. We talk about finding discounts when they’re buying product from distributors. We talk volume incentives and rebates and demo discounts. We have a training tool specifically for the owners on compensating their partners and reps around managed print.

“On the other hand, sales reps want to know, ‘What’s in it for me?’”

But Criswell says owners of reseller outfits also stood to gain from the various incentive programs for salespeople, thanks to rebates Xerox gave them for reps’ sales activities. “The approach for each group was tailored differently, and grand prizes of cash and merchandise were awarded,” he recalls. “It increased sales and the visibility of the partner program.”

Although Criswell won’t reveal ROI figures for the campaign, he insists the marketing push has helped bolster sales. Meanwhile, in April Xerox announced first-quarter results that included a 33-percent increase in revenue.

BEYOND INCENTIVES

The marketing programs also have proven to be educational as well as lucrative for the sales force, says Criswell. Among the company’s triumphs has been the success of Xerox’s efforts to teach its partners new ways to sell. “Instead of selling on ‘speeds and feeds’ [print speed and specifications], we’re taking resellers a step further in selling value and selling a solution, rather than just selling hardware,” explains Criswell.

Xerox has become an expert in building mutually beneficial relationships with its channel partners — but financial incentives alone aren’t enough to ensure success. “At the end of the day, [we need to communicate] to resellers what we bring to the table and that our value proposition will translate into more customer sales,” says Criswell.

Marketing efforts such as the guidebooks help Xerox surmount communications barriers that confront many major channel marketers. For instance, because resellers typically don’t have the resources or time to train every salesperson on all the companies and products they might represent, product education is often insufficient. And engaging, informative marketing only enhances attempts to teach — and captivate — a reseller’s sales team.

Programs like these reflect the company’s long history of reaching out to its channel partners, and they are frequently cited as examples of best practices among major businesses. In April, for instance, the company was named “overall winner” by *CRN* magazine’s annual Channel Champions Awards, a recognition Xerox has repeated for four consecutive years.

“The quality of a vendor’s partner program determines how profitable its partners will be,” said Robert C. DeMarzo, senior vice president and editorial director of Everything Channel, *CRN*’s publisher, in a news release last year that announced Xerox’s win.

Understanding the channel relationship is important to gaining knowledge about how to motivate partners. Companies use channels to carry the cost of sales, while channels seek to minimize their sales costs by encouraging companies to perform services for them, according to BNET business blogger Geoffrey James.

MIXING CHANNELS, SERVING NEEDS

In building bonds with his sales partners, Criswell has developed a potent multimedia approach to addressing their varied needs. “With the [advent of] the digital age, a lot of people have begun to go electronic. But we try to have a good balance — a mixture of electronic and print media,” says Criswell.

Criswell believes his multichannel strategy offers a competitive advantage over rival marketers who rely on digital communications alone. “Our competition is telling their partners, ‘Hey, we’ve posted [marketing information] online. Go and print it or save it,’” he says with a laugh. “We take the extra effort to send it out to our base because we know that way, it will sit on their desks, right there at their fingertips.”

Along with the guidebooks and mail incentives, Xerox offers webinars, road shows and nationwide face-to-face training. Programs such as “The Builders Series” help Xerox sales representatives create high-quality custom marketing tools — from PDFs that can be customized with the reseller’s call-to-action and website URL to an e-mail and web builder that speed promotional efforts.

For other companies looking to sell through channel partners, Criswell says it’s important to stay in front of competitors and in constant contact with customers. Most important, keep things simple. “Make it easier to do business with your company than others,” he advises. “Enable your partners. Teach them to fish instead of giving them the fish. Can you provide training, education they can use to improve their business? Training is a big trend, especially in this crazy economy of ours.”

The rewards of selling the sales team are both financial and intrinsic, according to Criswell. “We don’t just look at financials. It really is a balance,” he insists. “We look at how engaged [channel partners] are with us, how many demos they have purchased with us, how many promotions they’ve created using our marketing tools. Then we can accurately see if we’re making an impact, if we’ve helped them grow their business.”

Because in doing so, Xerox also helps to grow its own. **d**

May the Sales Force Be with You

An incentive-laden mail campaign helps a midsize real estate lender galvanize mortgage brokers.

Please pardon the sales team for ignoring you.

You see, the same focus that makes many sales teams successful at moving products from showrooms and catalogs into consumers’ homes also can be a barrier to small brands

looking to excite salespeople with product information and incentive offers. For small and mid-sized businesses especially, your message to the sales force must always find a way above the din of today’s multimedia marketplace.

And not unlike with consumers, you’ve often got to find new ways to educate and motivate salespeople, to get them excited about your brand even in the face of messages from larger competitors.

“It’s hard to get a salesperson’s attention,” concedes Susan Kerrigan-Meany, president of marketing communications agency SKM Group, based near Buffalo, N.Y. “They’re so busy. They just want

to know, How is this going to help me? And they want to see it in a way that gets their attention.”

By way of example, Kerrigan-Meany cites a recent challenge that confronted a mid-sized lending firm on the East Coast. The company, which specialized in commercial real estate, was having trouble getting mortgage brokers to consider its real estate loan packages. The brokers, the

men and women responsible for bringing business owners and prospective investors to lending companies, had been avoiding the firm out of misperceptions about the difficulties of commercial lending.

In response, SKM and marketing executives at the firm developed a welcome kit that was mailed to thousands of independent mortgage brokers. The cards

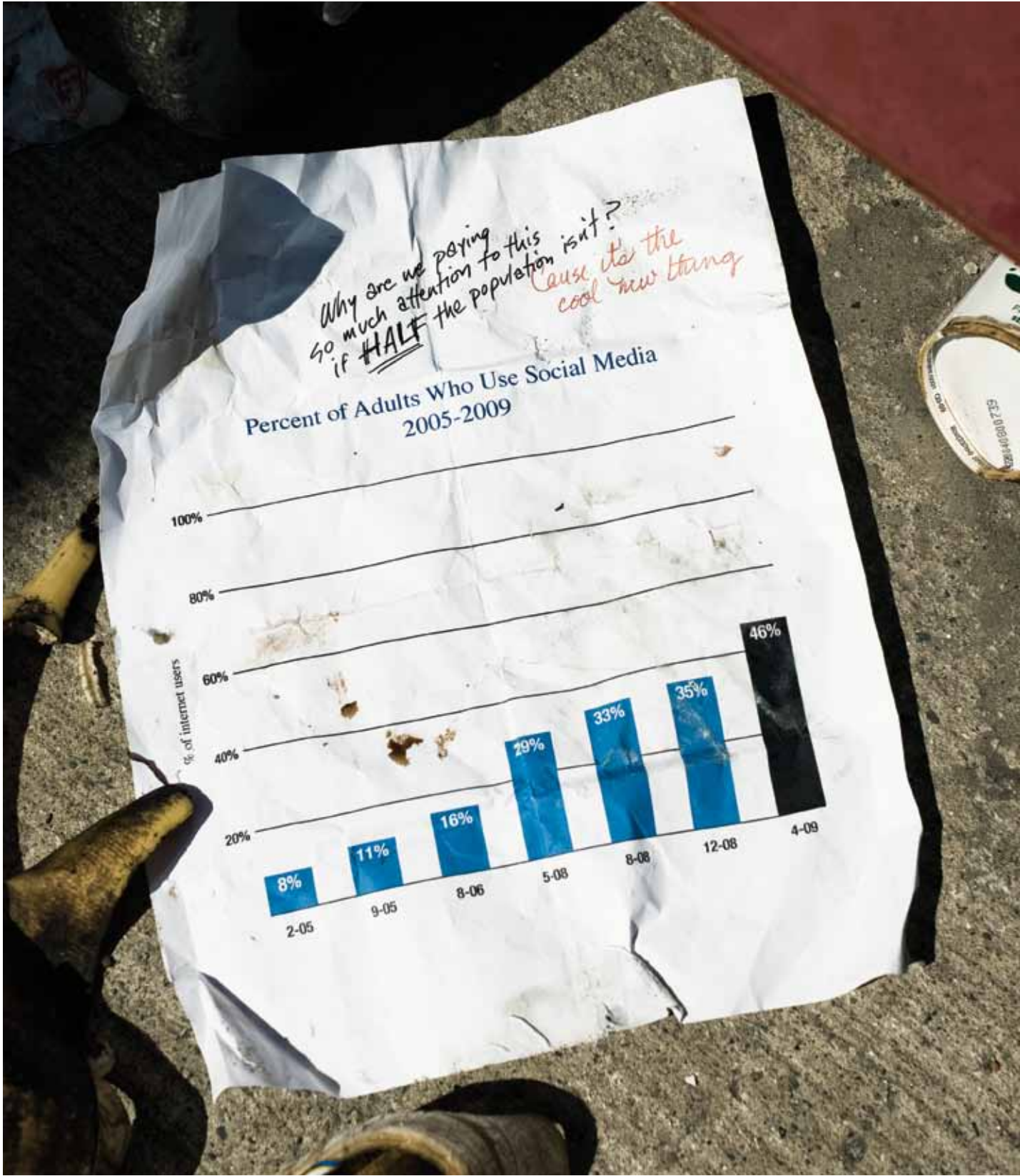
described various initiatives the lender had set up and offered brokers the chance to win vacations, appliances and other gifts. The mailer also contained guides, tutorials and tips for the brokers.

Over the campaign’s run, the company more than doubled the number of brokers in its database, from 40,000 to 86,000, and increased booked loans by more than 35 percent annually.



“A lot of times, we do more of an integrated approach,” explains Kerrigan-Meany, “where [the recipient] might be getting e-mails in addition to mail, along with other

trade marketing. What works with direct mail is that you can do some unique things to stand out in the mailbox and get attention with interesting formats.”



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